



QUESTIONS AND ANSWERS

ABOUT OUR CONVERSION FROM A MUTUAL COMPANY TO A STOCK COMPANY

FREQUENTLY ASKED QUESTIONS

This document provides brief responses to some frequently asked questions about the proposed conversion of Battle Creek Mutual Insurance Company. Policyholders are encouraged to review the entire Plan of Conversion for more detailed information. A complete copy of the Plan of Conversion is available at the Company's website at www.bcmutual.com under the "Special Meeting Information" tab.

ABOUT THE PLAN OF CONVERSION

The board of directors of Battle Creek Mutual Insurance Company ("Battle Creek", the "Company") adopted a Plan of Mutual Property and Casualty Insurance Company Conversion on August 4, 2023 (the "Plan of Conversion"), whereby Battle Creek will convert from a mutual insurance company to a stock insurance company and change its name to Battle Creek Insurance Company.

There will be no change in the rights of policyholders to insurance coverage under their existing policies of insurance with Battle Creek as a result of the conversion.

The Plan of Conversion has been submitted to the North Dakota Insurance Department for approval. If approved by the North Dakota Insurance Department, the Plan of Conversion is also subject to approval by the policyholders of Battle Creek. In order to complete the conversion, it is necessary for the Plan of Conversion to receive the affirmative vote of at least two-thirds of the votes cast by the voting policyholders of Battle Creek at a special meeting of policyholders.

MUTUAL TO STOCK CONVERSION

Q. Why is Battle Creek converting from mutual to stock form?

- A. Battle Creek and Nodak Insurance Company affiliated in 2011. In connection with the affiliation, Nodak Insurance Company purchased a \$3.0 million surplus note originally issued by Battle Creek. The surplus note provides Nodak Insurance Company with the right to appoint two-thirds of the Battle Creek Board of Directors. Both Nodak Insurance Company and Battle Creek are members of the Nodak Insurance Group. Nodak Insurance Company is a wholly-owned subsidiary of NI Holdings, Inc., which is publicly traded on the Nasdaq Capital Market.

Battle Creek believes that it is in the best interests of Battle Creek and the Nodak Insurance Group to formally convert Battle Creek to a stock company and become a stock subsidiary of Nodak Insurance Company, subject to regulatory and policyholder approvals.

The conversion will enhance the strategic and financial flexibility of Nodak Insurance Group by streamlining the corporate governance processes of the Company, align the Company's structure with that of the other insurance subsidiaries within the Group, reduce related expenses, and promote greater efficiency in managing the Group of insurance subsidiaries.

Q. What will happen upon conversion?

- A. On the effective date of the conversion, the Company will convert into a stock insurance company authorized to issue capital stock, and shall change its corporate name to Battle Creek Insurance Company. The surplus note will convert into shares of common stock of Battle Creek, as converted, representing all of the issued and outstanding shares of common stock of Battle Creek. All outstanding shares of common stock of Battle Creek will be issued to Nodak Insurance Company.

Q. Will the conversion affect my coverage with Battle Creek?

A. No. The insurance coverage under any Battle Creek policy that you own will not be affected by the conversion.

Q. What affect will the conversion have on existing policies?

A. On and after the conversion, every policy which is in force on the effective date shall continue in force under the terms of such policy, except that the following rights shall be extinguished: (a) all voting rights provided under such policy, (b) any right to share in the surplus of the Company, and (c) any assessment provisions included in such policy.

Q. Will any policy that I hold with Battle Creek be converted to stock?

A. No. All policies will remain as they were prior to the conversion. All shares of Battle Creek common stock will be issued to Nodak Insurance Company.

Q. Will there be anything of value provided to policyholders as a result of the conversion?

A. Yes. After the effective date of the conversion, all policyholders as of August 4, 2023 will receive a policyholder credit equal to \$30.00 per policyholder at the time of the policy's renewal, without any further action required from the policyholder. Any policyholder holding a policy with the Company as of August 4, 2023 whose policy is cancelled or not renewed prior to the issuance of such policyholder credit will receive a cash payment equal to \$30.00 per policyholder. New policyholders who receive policies after August 4, 2023 will not receive a policyholder credit.

ABOUT THE APPROVAL BY THE NORTH DAKOTA INSURANCE DEPARTMENT

Q. What is the process that the North Dakota Insurance Department will follow to approve the Plan of Conversion?

A. The North Dakota Insurance Department will hold a public hearing on the Plan of Conversion. Policyholders of Battle Creek may submit comments to the North Dakota Insurance Commissioner or to the Company. Members of the public may also submit comments to the North Dakota Insurance Commissioner. Comments may also be provided in person during the public hearing. After the hearing, the Commissioner will make a decision whether to approve the Plan of Conversion.

Q. When and where will the public hearing be held?

A. The public hearing has not yet been scheduled. It will be scheduled by the North Dakota Insurance Department, and held at the State Capital Building in Bismarck, ND.

Q. How may I submit comments on the Plan of Conversion to the Company?

A. Comments may be submitted via email to CorporateSecretary@bcmutual.com or via mail to:
Michael J. Alexander
President & CEO
Battle Creek Mutual Insurance Company
1101 1st Avenue North
Fargo, ND 58102

Q. How may I submit comments on the Plan of Conversion to the North Dakota Insurance Department?

- A. Comments may be submitted via email to insurance@nd.gov or via mail to:
Jon Godfread
Insurance Commissioner
c/o Helene Herauf
North Dakota Department of Insurance
600 E. Boulevard Ave.
Bismarck, ND 58505-0320

ABOUT THE SPECIAL MEETING

Q. When and where is the Special Meeting of Policyholders of Battle Creek?

- A. The Special Meeting of Policyholders of Battle Creek will be scheduled once approval is received from the North Dakota Insurance Department.

Q. What matters will be voted on at the Special Meeting?

- A. The Battle Creek Board of Directors is seeking approval of the Plan of Conversion, including (i) the conversion of Battle Creek from a mutual insurance company to a stock insurance company, (ii) the issuance of all of the outstanding shares of Battle Creek, as converted, to Nodak Insurance Company, and (iii) the amendment of the articles of incorporation of Battle Creek.

Q. Who may attend and vote at the Special Meeting?

- A. Only those policyholders who are shown on the records of Battle Creek as policyholders of Battle Creek on the Record Date are eligible to vote either by ballot cast in person at the Battle Creek Special Meeting of Policyholders, or by proxy. If you were not a Battle Creek policyholder as of the close of business on the Record Date, you will not be entitled to vote at the Battle Creek Special Meeting, by ballot cast in person or by proxy. The Record Date has not yet been declared.

Q. Am I required to vote?

- B. No. The Record Date policyholders of Battle Creek are not required to vote. However, because the conversion will produce a fundamental change in Battle Creek's corporate structure and the rights of the policyholders of Battle Creek, the board of directors of Battle Creek encourages all policyholders to vote.

Q. How can I vote?

- A. Once the Record Date has been declared and the date set for the Special Meeting, a notice will be mailed to all policyholders effective as of the Record Date. This notice will provide instructions for voting, either by using the Internet or by submitting a Proxy Card via mail. Policyholders may also choose to attend the Special Meeting in person to cast their vote.

Q. How many votes will I have?

- A. Each named Battle Creek policyholder as of the Record Date will be entitled to cast one vote on each matter at the Battle Creek Special Meeting, regardless of the number of policies or amount of insurance and benefits held by such Battle Creek policyholder. Two or more persons who qualify

as policyholders under a single policy shall be deemed one Battle Creek policyholder for purposes of voting, and collectively will be entitled to one vote. Fractional voting will not be permitted. When a Battle Creek policyholder is a minor, the vote will be vested in the parent or legal guardian of the minor.

WHERE TO GET MORE INFORMATION

Q. How can I get more information?

- A. A copy of the Plan of Conversion and related documents are available for review and download from the Company's website at www.bcmutual.com under the "Special Meeting Information" tab.

Q. When will more information become available?

- A. When the North Dakota Insurance Department schedules the public hearing on this matter, they will announce the date, time, and place.

If the Plan of Conversion is approved by the North Dakota Insurance Department, the Company will declare a Record Date and schedule the date, time, and place for the Special Meeting of Policyholders. A notice of the Special Meeting will be mailed to policyholders eligible to vote at the Special Meeting shortly after the Record Date, to provide voting instructions and information on the Special Meeting.